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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Marilyn Lloyd
House of Representatives
2266 Rayburn House Office Building
Washington, D.C. 20515-4203

Dear Congresswoman Lloyd:

Chairman Alfred C. Sikes has asked that I respond to your letter on behalf of the Tennessee Sheriffs' Association regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls. You state that the proposal may diminish special services needed for inmate phone security control, and ask that the Association's remarks be made part of the official comments the FCC is collecting on the proposal. The Commission has also received other congressional inquiries on behalf of the Association.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes,

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Honorable Marilyn Lloyd

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while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. Enclosed is a news release regarding this matter. We will incorporate your letter in the record of this proceeding so that it may be accorded proper consideration by Commission staff.

Sincerely,



Cheryl A. Tritt
Chief, Common Carrier Bureau

Enclosure

MARILYN LLOYD
3D DISTRICT, TENNESSEE

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August 28, 1992

REC'D

Mr. Alfred C. Sikes
Chairman
Federal Communications Comm.
1919 M Street
Washington, D.C. 20554

STAIRS

8200000

Dear Mr. Sikes:

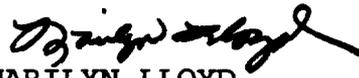
I am writing on behalf of the Tennessee Sheriffs' Association, Inc. Please note that a copy of their letter is enclosed.

They are disturbed by the FCC's "Billed Party Preference Calling" proposal. They feel the FCC proposal will have a negative effect on their ability to properly manage inmate telephone services. The FCC proposal may diminish special services needed for inmate phone security control.

I share their deep concerns in this matter, and I respectfully request any action you could take to address their remarks. I also believe that their remarks should be made part of the official comments the FCC is collecting on the proposal.

With best regards,

Sincerely,



MARILYN LLOYD
Member of Congress

ML/cf

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FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION